

Message Text

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PAGE 01 STATE 167621
ORIGIN NEA-10

INFO OCT-01 ISO-00 /011 R

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DRAFTED BY:NEA/RA:DTMORRISON:YW

APPROVED BY:NEA/RA:SEPALMER JR

-----109049 190346Z /23

R 190157Z JUL 77

FM SECSTATE WASHDC

TO AMEMBASSY LONDON

INFO AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

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FOLLOWING REPEAT DOHA 648 ACTION SECSTATE INFO ABU DHABI AMMAN
BAGHDAD CAIRO DAMASCUS JIDDA KUWAIT MANAMA MUSCAT SANA TRIPOLI
DATED MAY 28:

QTE: LIMITED OFFICIAL USE DOHA 0648

E.O. 11652: N/A

TAGS: EALR, ETRD, BTIO, XF, QA

SUBJECT: ARAB BOYCOTT- POSSIBLE DELIBERATE DISADVANTAGING OF
US FIRMS THROUGH UNNECESSARY LETTER OF CREDIT CERTIFICATIONS, ETC.

REF: (A) STATE 117172 AND PREVIOUS; (B) 76 DOHA A-25

1. EMBASSY DOHA HAS BECOME AWARE OF A PROBLEM IN QATAR RELATED
TO THAT OUTLINED IN REFTEL. ALTHOUGH THE ISRAEL BOYCOTT OFFICE
OF THE GOQ MINISTRY OF COMMERCE AND ECONOMY HAS NOTIFIED BANKS
OPERATING IN QATAR THAT NEGATIVE CERTIFICATION IS NOT REQUIRED (AND
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HAS NOT BEEN REQUIRED SINCE 1969) IN LC'S FOR GOODS TO BE IMPORTED
INTO QATAR (DOHA REPAIR), AT LEAST TWO BANKS PERSIST IN INCLUDING
LANGUAGE IN THEIR LETTERS OF CREDIT WHICH ASKS FOR SUCH NEGATIVE
CERTIFICATIONS. BANKS ARE BRITISH RATHER THAN ARAB. BRITISH BANK
OF THE MIDDLE EAST AND CHARTER BANK. ALL APPLICATIONS FOR
LETTERS OF CREDIT FOR IMPORT INTO QATAR PASS THROUGH THE ISRAEL
BOYCOTT OFFICE AND WE HAVE BEEN INFORMED BY MINISTRY OFFICIAL

THAT REFERENCES TO NEGATIVE CERTIFICATION ARE STRUCK OUT ON APPLICATIONS. LETTERS OF CREDIT, HOWEVER, ARE SOMETIMES ISSUED BY THESE BANKS WITH NEGATIVE CERTIFICATION LANGUAGE INTACT. MINISTRY SOURCES HAVE INDICATED INFORMALLY THAT THEY BELIEVE THAT THE BRITISH BANKS ARE ATTEMPTING TO AID BRITISH COMPANIES BY ELIMINATING US COMPETITION (WHICH THEY CAN VERY EFFECTIVELY DO BY INCLUDING NEGATIVE CERTIFICATION LANGUAGE). EMBASSY AGREES WITH THIS MINISTRY ASSESSMENT. MINISTRY SOURCES HAVE INDICATED THAT MINISTRY IS UNABLE TO PREVENT BANKS FROM INCLUDING REQUESTS FOR NEGATIVE CERTIFICATION SINCE MINISTRY CAN DEMAND INCLUSION BUT NOT EXCLUSION OF PHRASEOLOGY.

2. COMMENT: THIS BRINGS UP LARGER QUESTION PARTICULARLY APROPOS THE GULF COUNTRIES WHERE FOREIGN ADVISORS AND CONSULTANTS ARE STILL IN PLACE. SPECIFICATIONS AND TENDERS ARE IN MANY CASES DRAWN UP BY THESE ADVISORS AND CONSULTANTS AND ROUTINELY PASSED ON TO CANDIDATE COMPANIES BY GOVERNMENT AGENCIES. ELIMINATION OF AMERICAN COMPETITION COULD EASILY BE ACCOMPLISHED BY INCLUDING BOYCOTT LANGUAGE SINCE INCLUSION OF SUCH LANGUAGE PREVENTS US COMPANIES FROM PRESENTING BIDS AND PREVENTS US EMBASSY COMMERCIAL SECTIONS FROM REPORTING BUSINESS OPPORTUNITIES. IN A COMMERCIAL ATMV PHERE NOT NOTED FOR BUSINESS ETHICS IT IS NOT DIFFICULT TO IMAGINE A SITUATION IN WHICH INTERESTED PARTIES COULD HAVE IT ARRANGED TO INCLUDE ONE OR TWO PHRASES WHICH WOULD ELIMINATE US COMPANIES FROM COMPETITION. ALTHOUGH WE HAVE NO EVIDENCE THAT SUCH SCENARIO HAS BEEN PLAYED IN THE AREA, THE LIMITED OFFICIAL USE

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SITUATION IN PARA ONE EXISTS NOW IN QATAR AND IS INDICATIVE OF THE WAY THE GAME CAN BE PLAYED HERE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, BOYCOTTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE167621
Document Source: CORE
Document Unique ID: 00
Drafter: NEA/RA:DTMORRISON:YW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770267-1240
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770742/aaaabkdt.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 225e9a67-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 117172, 76 DOHA A-25
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1817021
Secure: OPEN
Status: NATIVE
Subject: ARAB BOYCOTT- POSSIBLE DELIBERATE DISADVANTAGING OF US FIRMS THROUGH UNNECESSARY LETTER OF CREDIT CERTIFICATIONS, ETC.
TAGS: EALR, ETRD, BTIO, XF, QA
To: LONDON
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/225e9a67-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009